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April 6, 1970

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Dear Lee:

Re: Our conversation of April 1, 1970

I have enclosed a very brief statement of the type of technical support we could offer you. If there are any questions, do not hesitate to call me or

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if I am not here.

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RC:lk

Enclosure

## A DECISION-ORIENTED PERSPECTIVE ON MANAGEMENT INFORMATION

The raw material of the management process--whether of a government health or defense program, or a commercial venture--is information. The product of that process is decision. Most management decisions have some constraints imposed externally by financial considerations. The purpose of management information system (MIS) design is to provide precisely the information needed, at the time when and the places where it is needed, and with full awareness of those constraints.

The objective of the MIS is to provide decision makers with visibility into the impact (both immediate and long-term) of various decisions which are available to them.

This implies the following basic tasks for the MIS designer:

- (1) Identify the decisions to be made by those who will use the system,
- (2) Infer from this the information needed to support these decisions, and the location of these needs in the organization,
- (3) Take inventory of the data existing and its ability to be incorporated in a system,
- (4) Identify the missing, but essential data and suggest ways for collecting it,
- (5) Design a system that will collect, store, manipulate, and display the essential data in useful ways.
- (6) Implement the system, either by installing the procedures and equipment needed, or by overseeing their installation,
- (7) Review the system in its operation state.

It is evident from the above paragraph that [REDACTED]

[REDACTED] approach to MIS focuses on the nature of the decisions to be made and the type of information required to make them.

[REDACTED] proposes to develop an MIS in support of planning, programming and budgeting. This work should be done in three phases. The first phase would be a three month task aimed at developing a simple analytic model of the information flows and decision process. This model will be the basis for determining specific work tasks needed in the development of an MIS. The second phase will involve completion of the specific tasks. The third phase will involve implementing the system and evaluating its operation.

Phase I will require a level of effort of 1.5 men for three months. The work needed to complete the remaining two phases will be evaluated at the end of Phase I. The same level of effort is anticipated for Phases 2 and 3 during the remainder of FY 1971.

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